

RESOLUTION NO. 20-2009

RESOLUTION OF INTENTION TO CREATE
RURAL MAINTENANCE/IMPROVEMENT DISTRICT NO. 2513

A RESOLUTION OF THE JEFFERSON COUNTY COMMISSIONERS DECLARING IT TO BE THE INTENTION OF THE BOARD OF COUNTY COMMISSIONERS OF JEFFERSON COUNTY, MONTANA, TO CREATE RURAL MAINTENANCE/IMPROVEMENT DISTRICT NO. 2513 FOR THE PURPOSE OF CONSTRUCTING CERTAIN ROAD IMPROVEMENTS TO THE SOUTH HOLMES GULCH ROAD AND THE IMPOSING OF ASSESSMENTS FOR THE ANNUAL COSTS AND EXPENSES FOR MAINTENANCE OF PORTIONS OF SOUTH HOLMES GULCH ROAD IN JEFFERSON COUNTY, MONTANA, THE FINANCING OF SUCH IMPROVEMENTS AND THE COSTS INCIDENTAL THERETO THROUGH THE ISSUANCE OF RURAL SPECIAL IMPROVEMENT DISTRICT BONDS SECURED BY THE COUNTY'S RURAL SPECIAL IMPROVEMENT DISTRICT REVOLVING FUND.

BE IT RESOLVED by the Board of County Commissioners of Jefferson County, Montana (the County), as follows:

Section 1. Proposed Improvements; Intention to Create District. The County proposes to undertake certain local road improvements to specially benefit certain property located in the County. The Board intends to create and establish in the County under Montana Code Annotated, Title 7, Chapter 12, Part 21, as amended, a rural improvement district (the "District") for the purpose of financing the costs of the construction of improvements to South Holmes Gulch Road in Jefferson County (the "Improvements") and the imposing of assessment for the annual costs and expenses for maintenance, the costs of the sale and the security of the rural special improvement district bonds drawn on the District (the "Bonds"), the creation and administration of the District, and the funding of a deposit to the County's Rural Special Improvement District Revolving Fund (the "Revolving Fund"). The Improvements will consist of replacing drainage structures, grading, and adding 6" of crushed base course gravel to the existing 20' wide road way over approximately .85 miles of South Gulch Holmes Road in Jefferson County, more particularly described in Section 5. The costs of the Improvements are to be paid from the rural special improvement district bonds hereinafter described. The total estimated costs of the Improvements, including incidental costs, to be financed by the Bonds are \$102,000. The Bonds are to be payable primarily from special assessments to be levied against property in the District, which property will be specially benefited by the Improvements in an amount estimated to be not more than \$102,000.

Section 2. Number of District. The District, if the same shall be created and established, shall be known and designated as Rural Maintenance/Improvement District No.2513 of the County of Jefferson, Montana.

Section 3. Boundaries of District. The limits and boundaries of the District are depicted on a map attached as Exhibit A hereto (which is hereby incorporated herein and made a part hereof) and more particularly described on Exhibit B hereto (which is hereby incorporated herein

and made a part hereof), which boundaries are designated and confirmed as the boundaries of the District. A listing of each of the properties in the District is shown on Exhibit B hereto.

Section 4. Benefited Property. The District and territory included within the limits and boundaries described in Section 3 and as shown on Exhibits A and B are hereby declared to be the Rural Maintenance/Improvement District and the territory which will benefit and be benefited by the Improvements and will be assessed for the costs of the Improvements as described in Section 1. The property included within said limits and boundaries is hereby declared to be the property benefited by the Improvements.

Section 5. General Character of the Improvements/Reason for Improvements. The Improvements are approximately 0.85 miles of road improvements west of South Hills Road for the existing South Holmes Gulch Road including drainage structures, grading and adding a six inch crushed base to the existing 20 foot wide roadway. South Holmes Gulch Road is an existing gravel road which originally had adequate gravel and drainage structures. Over the years the drainage structure and gravel surface of the road have deteriorated. The road Improvements for the District will be to simply bring the gravel and culverts back to the condition the roadway was in when it was first built and the County Commissioners thus view the Improvements as maintenance of an existing road.

Section 6. Engineer and Estimated Cost. Great West Engineering shall be the engineer for the District. The Engineer has estimated that the cost of the Improvements, including all incidental costs, as \$102,000. The Engineer has estimated the initial annual maintenance costs of the District at \$3,040.

Section 7. Assessment Methods - Equal Assessments. All assessable properties in the District will be assessed for their proportionate share of the costs of the Improvements as authorized in Section 7-12-2151(d) MCA, and shall be assessed against each assessable lot, tract or parcel of land in the District equally, such that each lot, tract or parcel in the District shall be assessed for the same amount of the cost of the Improvements. The estimated annual assessment (which includes an estimated annual maintenance assessment of \$121.60) for each lot, tract or parcel of land for the Improvements is shown on Exhibit B hereto.

Section 8. Payment of Assessments. The special assessments for the costs of the Improvements shall be payable over a term not exceeding ten (10) years, each in equal semiannual installments of principal, plus interest, or equal semiannual payments of principal and interest, as this Board shall prescribe in the resolution authorizing the issuance of the Bonds. Property owners have the right to prepay assessments as provided by law.

Section 9. Method of Financing; Pledge of Revolving Fund; Findings and Determinations. The County intends to use County funds from eligible sources to pay for the Improvements and then reimburse the County from the proceeds of the Bonds, as described in Section 13. Principal of and interest on the Bonds will be paid from special assessments levied against the property in the District. The Board further finds it is in the public interest, and in the best interest of the County and the District, to secure payment of principal of and interest on the

Bonds by the Revolving Fund and hereby authorizes the County to enter into the undertakings and agreements authorized in Section 7-12-2185 in respect of the Bonds.

In determining to authorize such undertaking and agreements, this Board has taken into consideration the following factors:

(a) Estimated Taxable Market Value of Parcels. The estimated taxable market value of the lots, parcels or tracts in the District as of the date of adoption of this resolution, as estimated by the County Assessor for property tax purposes, is set forth in Exhibit B hereto. The special assessments to be levied under Section 7 against each lot, parcel or tract in the District is less than or equal to the increase in estimated market value of the lot, parcel or tract as a result of the construction of the Improvements.

(b) Diversity of Property Ownership The diversity of ownership is diverse finding that there are 25 assessable lots, parcels or tracts in the District, with 23 separate owners. There are 2 individuals or other entities who own two lots each.

(c) Comparison of Special Assessments and Property Taxes and Market Value. The estimated market value of the lots, parcels, or tracts in the district exceeds the sum of the delinquent property taxes and current property taxes. There are no other special assessment levies of record against the property in this district.

(d) Delinquencies. As of June 2009, there were delinquent property taxes against one property in the district in the total amount of \$601.60. The estimated market value of the lots, parcels, or tracts, in the District exceeds the sum of the delinquent property taxes and current property taxes.

(e) The Public Benefit of the Improvements. The public benefit resulting from the Improvements will provide an improved road surface, access, traffic flow, storm drainage and yearly maintenance.

(f) Newly Platted Subdivision. These improvements are not part of a newly platted subdivision.

Section 10. Annual Maintenance. The District shall be responsible for maintenance on the Improvements as determined by the Jefferson County Commissioners in accordance with Section 7-12-2161, MCA. Assessments shall be made annually for maintenance. Maintenance is estimated to be the sum of approximately \$121.60 per year for each assessable lot, parcel, or tract. Maintenance estimates are for snow removal and grading.

Section 11. Public Hearing; Protests. At any time within thirty (30) days from and after the date of the first publication of the notice of the passage and approval of this resolution, any owner of real property within the District subject to assessment and taxation for the cost and expense of making the Improvements may make and file with the County Clerk and Recorder until 5:00 p.m., M.T., on the expiration date of said 30-day period (August 24, 2009), written protest against the proposed Improvements or against the creation of the District or both.

Taxpayers in the county may protest the pledge of the Revolving Fund to the payment of the Bonds. The owner of property created as a condominium that is entitled to protest under this part is collectively the owners of all units having an undivided ownership interest in the common elements of the condominium. An owner of property created as a condominium may protest against the proposed work or against the extent or creation of the district to be assessed, or both, only through a president, vice president, secretary, or treasurer of the condominium owners' association who timely presents to the county clerk a certified protest constituting an affirmative vote of the condominium owners' association in accordance with Section 7-12-2141, MCA. This Board will at its next regular meeting after the expiration of the thirty (30) days in which such protests in writing can be made and filed, proceed to hear all such protests so made and filed, including protests or comments from any taxpayer in Jefferson County concerning the pledge of the Revolving Fund as security for the Bonds; which said regular meeting will be held on August 25, 2009, at 2:00 p.m., in the courtroom of the Jefferson County Courthouse, 201 West Centennial, Boulder, Montana.

Section 12. Notice of Passage of Resolution of Intention. The County Clerk and Recorder is hereby authorized and directed to publish or cause to be published a copy of a notice of the passage of this resolution in the Whitehall Ledger, a newspaper of general circulation in the County, on July 22, 2009 and July 29, 2009, in the form and manner prescribed by law, and to mail or cause to be mailed a copy of said notice to every person, firm, corporation, or the agent of such person, firm, or corporation having real property within the District listed in his or her name upon the last completed assessment roll for state, county and school district taxes, at his last-known address, on or before the same day such notice is first published.

Section 13. Reimbursement of County Expenditures on the Improvements. Section 1.150-2 of the U.S. Treasury Regulations (the "Regulations") deals with the issuance of tax-exempt bonds, all or a portion of the proceeds of which are to be used to reimburse the issuer for project expenditures made by the issuer prior to the date of issuance of such bonds. The Regulations generally require that the issuer make a declaration (no later than 60 days after payment of the original expenditures) of its official intent to reimburse itself for such expenditures out of the proceeds of a subsequently issued borrowing, that the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within eighteen months of the original expenditure or the date the project is placed in service, and that the expenditure be a capital expenditure or cost of issuance. The County desires to comply with requirements of the Regulations with respect to reimbursement of the County for expenditures made for the Improvements. The County anticipates the issuance of up to \$102,000 of tax-exempt bonds to finance the Improvements as described herein. The County expects to reimburse some or all expenditures made for the Improvements from the proceeds of the Bond. The County Treasurer shall be responsible for making "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of the Bond proceeds to reimburse the source of the original expenditure.

PASSED AND ADOPTED by the Board of County Commissioners of the County of Jefferson, Montana this 14th day of July, 2009.

1ATTEST:

BONNIE RAMEY
CLERK AND RECORDER

TOMAS E. LYTHGOE, CHAIR

KEN WEBER, COMMISSIONER

DAVE KIRSCH, COMMISSIONER